

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 SIL-01 OMB-01 L-03 H-02 NSC-05

SS-15 STR-04 CEA-01 PA-02 PRS-01 IO-13 /113 W

-----070527Z 092530 /17

R 070021Z APR 77

FM AMCONSUL VANCOUVER

TO SECSTATE WASHDC 3410

INFO AMEMBASSY OTTAWA

AMCONSUL CALGARY

AMCONSUL HALIFAX

AMCONSUL MONTREAL

AMCONSUL QUEBEC

AMCONSUL TORONTO

AMCONSUL WINNIPEG

UNCLAS VANCOUVER 0311

E.O. 11652: NA

TAGS: ECON, EFIN, CA

SUBJECT: BRITISH COLUMBIA REACTION TO FEDERAL BUDGET

1. PROVINCIAL REACTION TO THE FEDERAL BUDGET IS VARIED AND WE PERCEIVE NO CLEAR CONSENSUS. EDITORIALY, THE VANCOUVER SUN FINDS IT A "COURAGEOUS" BUDGET BECAUSE IT "TELLS-IT-LIKE-IT-IS", NAMELY, THE GOVERNMENT S FIRST PRIORITY MUST BE TO KEEP INFLATION AT BAY. "IF THAT CANNOT BE DONE, THEN ANY OTHER MEASURE THE GOVERNMENT MIGHT TAKE -- TO CREATE JOBS, TO STIMULATE INVESTMENT, TO ENHANCE CANADA S DISMAY LACK-LUSTRE INTERNATIONAL COMPETITIVENESS AND DO SOMETHING ABOUT ITS ABYSMAL DEFICITS ON FOREIGN BORROWING -- ALL THOSE THINGS WON T MATTER A PLUGGED NICKEL BECAUSE THE ECONOMY WILL BE WRECKED, DOWN THE TUBE .... BEATING THE (INFLATION) MONSTER IS AT THE CORE OF IT ALL." THE PROVINCE, ON THE OTHER HAND, EXPRESSED DEEP DISAPPOINTMENT THAT FINMIN MACDONALD FAILED TO DISPLAY

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ZIMAGINATION, DARING, RESOLUTION AND HUMANITY". "WE FEAR THAT MACDONALD, OVERLY-FAIRFUL OF BOTH INFLATION AND INNOVATION, HAS OPTED FOR A STEADY-AS-SHE-GOES BUDGET, ONE WHICH DO LITTLE TO HELP BRING ABOUT ECONOMIC HEALTH OR CONFIDENCE IN THE TRUDEAU GOVERNMENT."

2. ON THE POLITICAL SIDE, SOCRED FINANCE MINISTER WOLFE SAID

HE LIKED THE "RESTRAINT" AND THE "CONCERN OVER INFLATION" SHOWN IN THE BUDGET AND APPLAUDED THE DECISION TO CONTINUE FOR NOW THE ANTI-INFLATION PROGRAM. "WE HAVE INDICATED VERY STRONGLY WE WANT THIS CONTROL PROGRAM CONTINUED THROUGH 1978." PREDICTABLY, THE NDP FINANCE CRITIC (STUPICH) FOUND IT TO BE "A NOTHING BUDGET" AND SAID THE ANTI-INFLATION PROGRAM SHOULD HAVE BEEN LIFTED.

3. B.C. LABOR SPOKESMEN FOUND THE BUDGET "A TYPICAL LIBERAL FUDDLE-DUDDLE EFFORT" THAT WILL NOT CHECK UNEMPLOYMENT AND INFLATION BECAUSE THERE ARE NO PROVISIONS FOR REAL REDUCTIONS IN PERSONAL TAXES AND NO IMMEDIATE END TO CONTROLS. "IF THE FEDERAL BUDGET IS ANY INDICATION OF A GOVERNMENT FIGHT AGAINST INFLATION AND UNEMPLOYMENT, THEN THE LIBERALS ARE GOING INTO BATTLE FIRING BLANKS."

4. ON THE BUSINESS SIDE, THE GENERAL VIEW IS THAT THE BUDGET FAILS TO TAKE ON CANADA'S UNDERLYING ECONOMIC PROBLEMS. WHILE AGREEING WITH THE GOVERNMENT'S EMPHASIS ON CONTROLLING INFLATION, THE B.C. EMPLOYERS' COUNCIL "SEES NOTHING OF MAJOR SIGNIFICANCE TO ENCOURAGE INVESTMENT BY THE PRIVATE SECTOR WHICH WOULD PROVIDE CONTINUING JOBS AND IMPROVE OUR COMPETITIVE POSITION". THE COUNCIL ALSO EXPRESSED ITS PREFERENCE FOR THE GOVERNMENT TO STATE A SPECIFIC DATE FOR ENDING WAGE AND PRICE CONTROLS TO REMOVE UNCERTAINTIES.  
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## Message Attributes

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